Wages rose 0.6% in the March quarter 2021

Media Release

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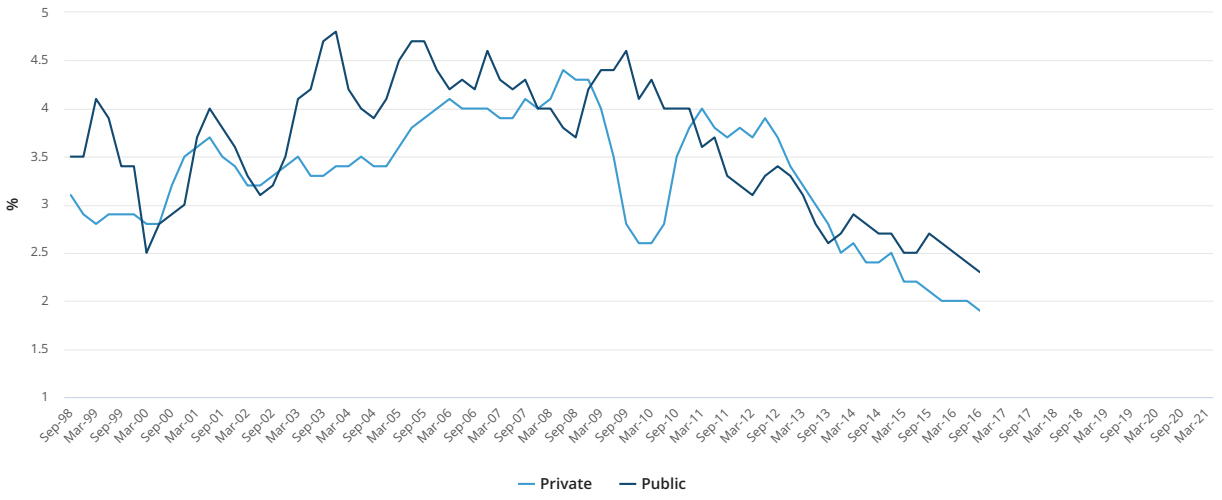
Source: Wage Price Index, Australia, March 2021

The seasonally adjusted Wage Price Index (WPI) rose 0.6 per cent in March quarter 2021 with the annual growth rate at 1.5 per cent, according to figures released today by the Australian Bureau of Statistics (ABS).

Michelle Marquardt, Head of Prices Statistics at the ABS said "After two quarters of minimal growth, wages rose 0.6% for the second successive quarter. This quarter saw a return to regular patterns of wage growth for the time of the year, supplemented to some extent by pay rises for the final group of award workers scheduled in the Fair Work Commission's annual wage review (2019-2020) "

"March quarter 2021's moderate growth was influenced by regularly scheduled increases. Improved business conditions saw employers revisit wage reviews postponed during the height of the pandemic. The phased approach to the delivery of award increases saw jobs in the accommodation and food services, retail trade, arts and recreation, aviation and tourism industries receive rises previously recorded in September quarters.

Annual wage growth by sector, seasonally adjusted, 1997-2021



The public sector recorded its lowest annual rate of growth (1.5%) since the commencement of the series, while the private sector remained at 1.4% for the second quarter in a row. Wage increase deferrals and smaller increases had an impact on public sector wage growth.

In original terms, annual wage growth to the March quarter 2021 ranged from 0.4 per cent for the Rental, hiring and real estate services industry to 2.2 per cent for the Education and training industry.

Across the country, Tasmania recorded the highest quarterly (0.8 per cent) and annual rate rise (2.0 per cent), while the Australian Capital Territory recorded the lowest annual growth (1.3 per cent) based mainly on the slowing rate of public sector wage growth.

The WPI measures the change in hourly wages and salaries paid. Wage subsidies (JobKeeper) and payroll tax changes fall outside the conceptual scope of the survey.

The ABS would like to thank businesses for continuing to respond to our surveys during these difficult times.

Further information is available in Wage Price Index, Australia available for free download from the ABS website: http://www.abs.gov.au/.

Media notes

- The Wage Price Index captures changes in price (in hourly wages and salaries paid) of a job, and not the occupant of that job. As such JobKeeper payments to eligible employees falls out of scope of the Wage Price Index. Further details can be found in Measuring the Wage Price Index during the COVID-19 pandemic. (/articles/methods-changes-during-covid-19-period)

- When reporting ABS data you must attribute the Australian Bureau of Statistics (or the ABS) as the source.
- The Wage Price Index publishes estimates of the change in hourly rates of pay, unaffected by compositional shifts in the labour force, hours worked, or employee characteristics.

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